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RUEAIIA/CIA WASHDC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
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C O N F I D E N T I A L DAMASCUS 000068

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TAGS: [ECON](#) [EFIN](#) [EINV](#) [KPAO](#) [PGOV](#) [PREL](#) [SOCI](#) [SY](#)
SUBJECT: ONE NEW FACE IN ASAD'S CHOICES FOR STATE PLANNING
COMMISSION, MINISTRY OF ECONOMY

REF: DAMASCUS 037

Classified By: Charge d'Affaires Chuck Hunter for reasons 1.4(b,d)

Summary

¶1. (C) In a move to rapidly fill a gap at the State Planning Commission (SPC) following the ouster of SPC Head Dr. Taysir Raddawi (reftel), President Bashar al-Asad appointed on January 18 the current Minister of Economy and Trade, Amer Hosni Lutfi, as head of the SPC. Asad also selected Syria's Ambassador to Malaysia, Lamia al-Assi, to replace Lutfi as Minister of Economy and Trade. Lutfi assumes control of the SPC at a critical time in the development cycle of the eleventh Five-year Plan that will take effect on January 1, ¶2011. These moves are seen as a victory for economic conservatives in the SARG. End Summary.

New Focus at SPC, Ministry of Economy

¶2. (SBU) The SARG announced on January 18 that President al-Asad had chosen Amer Hosni Lutfi, the current Minister of Economy and Trade, to head the State Planning Commission and had selected Syria's Ambassador to Malaysia, Lamia al-Assi, to replace Lutfi as Minister of Economy and Trade. Lutfi, a Christian from Homs, is a trained economist who received his Ph.D. in Economics in Brussels. A Ba'ath party member, he has been Minister of Economy and Trade since October 2004.

¶3. (SBU) Assi has served as the Syrian Ambassador to Malaysia since 2004. Prior to her posting to Malaysia she was the Deputy Minister of Finance for IT Affairs from 2002 until ¶2004. Assi, one of three women in the cabinet, will be the first woman to serve as the Minister of Economy and Trade.

Win for Ba'athists

¶4. (SBU) Local media reported that Lutfi was expected to be less critical of Deputy PM for Economic Affairs Abdullah al-Dardari than Dardari's archrival Raddawi because the new

team's economic philosophies were market-based like Dardari's. However, observers noted it may be difficult for Lutfi, a dedicated Ba'athist, fully to support Dardari's economic agenda for opening up the economy to more private business and increased foreign investment. Assi's appointment as Minister of Economy and Trade is viewed by observers here as a win for conservative Minister of Finance Mohammed al-Hussein since Assi had served as his deputy minister for two years. (Note: Underscoring his conservative credentials, Hussein is also head of Economic Affairs in the Ba'ath Party. End note.)

15. (C) Comment: Following Asad's appointment of Dardari as provisional head of the SPC after Raddawi's ouster, reftel noted that whether Dardari served in the position on a temporary basis or took control permanently would serve as a barometer of whether the SARG had truly accepted Dardari's liberal economic agenda. Lutfi's appointment to replace Dardari now appears to be a win for the non-reformists and a vote against a more liberal economic plan. An embassy contact well acquainted with all the players told us that Lutfi was a quiet, non-confrontational person who was not a fighter and was more apt to toe the party line. Lutfi's Ba'ath Party ties, coupled with Minister of Finance Hussein's strong ties to the party, foretell a more conservative 11th Five-year Plan less likely to rely heavily on foreign investment.
HUNTER